

**MEETING OF THE SOUTH CAROLINA
STIMULUS OVERSIGHT, ACCOUNTABILITY AND COORDINATION
TASK FORCE
Room 504 – Blatt Building
January 28, 2010**

I. Call to Order and Adoption of Proposed Agenda

The meeting was called to order by Comptroller Richard Eckstrom and State Treasurer Converse Chellis. The agenda for the meeting was approved as presented.

II. Approval of Minutes of Previous Meeting

The minutes of last meeting of December 10, 2009 were approved as presented.

III. Working Group Reports and Actions

**Guidance/Reporting Working Group – Frank Fusco
(See Guidance and Reporting Handout Dated January 28, 2010)**

1512 Report Status

The reports for all of the awards to state agencies and institutions that fall under the 1512 reporting process for January have been successfully submitted via the federal reporting website.

The total amounts reported were:

Awarded	\$1.9 Billion
Drawn	\$655.3 Million
Expended	\$282.5 Million
FTE's Funded	9,940 (Paid with ARRA funds for the quarter)

In response to an inquiry, one agency reported that it had not submitted reports for two grants because the awarding federal agency directed them not to submit reports for these grants because they are under the \$25,000 limit. This agency has been advised to obtain written corroboration of this federal guidance from the federal agency involved.

The deadline for submitting the grants was extended twice with a final deadline of January 22nd. The apparent reasons for the revised deadline was the revised reporting guidance issued by OMB on December 18th and the new edits that were implemented for the federal website for this reporting period.

Stabilization Funds

All but \$1.7 million of the \$63.2 million allocated for Government Services has been drawn down and reported as expended based upon expenditures incurred in the current fiscal year.

From the higher education award, \$33.5 million of the \$284.8 million allocated has been drawn down and expended by the colleges, universities and tech schools.

K-12 had not drawn or expended any funds prior to December 31st.

Central Administrative Costs

The Central Administrative Cost Plan/Budget has been submitted to HHS for review and approval.

A recent letter from the National Association of State Auditors to the OMB has pointed out a number of problems with the federal government's policy allowing up to .5% of the ARRA funds to be used for central state administrative costs. The primary problem has been that federal agencies are resistant to allowing this allocation on the grants that they have issued.

Accounting Working Group – Jennifer Muir

The Work Group continues to:

Work with agencies on the proper state coding and accounting for Part III funds and Stabilization Funds;

Apply a reasonableness test at least monthly in reviewing the Stimulus funds being reported in the state accounting system; and

Work with agencies on naming conventions for reports to the Task Force.

Comptroller Eckstrom asked whether it would be useful to have the Accounting Work Group meet with agency accounting staffs to review proper state coding procedures. It was suggested that the Work Group communicate by telephone and e-mail with the agencies involved to determine the best approach.

Audit/Verification Working Group – Rich Gilbert

The Audit Verification Working Group has nothing new to report. Mr. Gilbert did say that the federal auditors have been visited several state agencies. Mr. Gilbert also said that the State Auditor's Office is performing statewide single audits at some agencies, including the audit of Stimulus funds.

Agencies involved:

Health & Human Services
Social Services
Commerce
Education
Health & Environmental Control
Vocational Rehabilitation.

Ms. Betsy Carpentier with the SC Department of Education reported that the US Department of Education OIG had commenced a review of the use of Stabilization funds. Comptroller Eckstrom stated he did not think the USDE OIG was performing an in-depth review. Instead, it appeared that the OIG was looking more at the systems and the processes that have been established. Ms. Carpentier agreed that the OIG was performing an overview, looking at the big picture.

Web Site Working Group – Scott Houston

The Working Group has spent a lot of time loading preliminary spreadsheets on the state website and working through issues arising from agencies reports. The site should be live soon.

IV. Stimulus Funds Received by State Agencies

Listing of the Stimulus funds received and spent by state agencies and institutions through January 22, 2010 was distributed to attendees. (See Handout)

V. Other Business

None.

VI. Adjournment

The meeting was adjourned by acclamation.